

HOUSE RESEARCH

Bill Summary

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Overview

This bill would allow service cooperatives to provide group health coverage to private-sector employers. Service cooperatives are regional groups of school districts and other local governmental entities that provide various services for their governmental members, including employer group health insurance. Service cooperatives are created and governed by Minnesota Statutes, section 123A.21. Their health insurance functions are specified in subdivision 7, paragraphs (a)(23), (b), and (c); and subdivision 12, of that section. They provide employer group health coverage through regional purchasing pools for a significant number of school districts in Minnesota.

- 1 Health coverage for private employers; service cooperatives.** Permits a service cooperative to create and manage one or more purchasing pools for private-sector employer group health coverage. Permits the pools to be either fully insured or self-insured. Prohibits covering public and private employers in the same pool. Requires compliance with all state and federal laws that apply to the type of pool, including Minnesota laws that regulate joint self insurance plans and coverage provided through association plans. Requires that a pool operating under this section permit sale of the coverage by licensed health insurance agents.
- 2 Effective date.** Makes the bill effective the day following final enactment.